

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2117 – SB 2595

March 28, 2016

SUMMARY OF ORIGINAL BILL: Revises student eligibility and grant distribution provisions of the pilot Community College Reconnect Grant (CCRG) program. Changes, from 24 months to 12 months, the amount of time immediately preceding enrollment that a student must have not been enrolled in a postsecondary education institution in order to be eligible to receive a CCRG. Authorizes students who are seeking an associate's degree in an area other than "applied science" to be eligible to receive a Reconnect Grant. Requires students to file a FAFSA prior to the beginning of each academic term rather than by March 1 each year and eliminates the current June 1 deadline to apply for a CCRG.

Requires the Tennessee Student Assistance Corporation (TSAC) to distribute funds appropriated for the CCRG program to public two-year postsecondary institutions based on each institution's percentage of the total non-traditional students enrolled at all public two-year postsecondary institutions. Requires public two-year postsecondary institutions to award Community College Reconnect Grants to eligible students on a first-come, first-served basis.

Prohibits no more than \$1,500,000 of net lottery proceeds from being expended for community college grants during the life of the pilot program. Authorizes students to obtain a grant in FY17-18 and beyond, provided that future grant funding is available to be expended. Directs that funds appropriated for the CCRG program during the 2016-2017 academic year shall be carried forward to subsequent fiscal years for future Community College Reconnect Grants until all such funds are expended.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Pursuant to Public Chapter 363 of 2015, the Governor's FY15-16 budget appropriated a one-time increase in expenditures from the Lottery for Education Account of \$1,500,000 to be expended over multiple fiscal years for a pilot program for new Community College Reconnect Grants. This bill will not increase the amount appropriated over the life of the pilot program.

SUMMARY OF AMENDMENT (015020): Deletes the language "March 15, 2016" in Section 7 of the original bill and substitutes "on the effective date of chapter __ of the Public Acts of 2016 (Senate Bill 2595/ House Bill 2117)". Deletes and rewrites Section 8 of the original bill, the effective date provision for the legislation, such that the substantive change is that the act take effect upon becoming law, the public welfare requiring it.

HB 2117 – SB 2595

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumption for the bill as amended:

- The funding for the pilot Community College Reconnect Grant program remains unchanged. No fiscal impact on state or local government.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/rbp